

(Unclassified version with commercially sensitive or confidential information and Members' names removed)

S.C. 23/2013 (Revised)

**Revised Minutes of the 46th Meeting of the
Staffing Committee held at 2:30p.m.
on Tuesday, 12 November 2013 in the Board Room,
2nd floor, HKPC Building, 78 Tat Chee Avenue, Yau Yat Chuen, Kowloon**

Present : Chairman - Dr. Elizabeth Shing Shiu-ching, BBS, JP

Members - Miss Lam Kam-yi
Mr. Leung Yam-shing
Mrs. Agnes Mak Tang Pik-yee, MH, JP
Prof. Helen Meng Mei-ling
Mr. Charles Hui (representing Mr. Byron Ng, JP)
Mrs. Katherine Ngan Ng Yu-ying, JP
Mr. Sin Kai-ming, MH
Ms. Marilyn Tang Yin-lee
Mr. Frank Tsang

Absent with Apologies: Mr. Andrew Mak Yip-shing, JP

In Attendance: HKPC Chairman - Mr. Clement Chen, SBS, JP

In Attendance from HKPC:

Mr. Tony Lam	Director, Corporate Services
Mr. Joseph Poon	Director, Technology Development
Mr. Jonathan Ho	General Manager, Corporate Communications
Mr. Dennis Wu	General Manager, Corporate Human Resources & Administration
Mr. Alfonso Tam	Chief Manager, Council Secretariat
Ms. Gillian Luk	Senior Manager, Council Secretariat

Confirmation of Minutes (S.C. 17/2013 Revised)

Further to the Revised Minutes of the 45th Staffing Committee Meeting held on 9 July 2013 which had been circulated to Members, a request for an additional amendment was received from Mr. Frank Tsang of ITC. Members agreed to take the further revised Minutes incorporating the above additional amendment by Mr. Frank Tsang, tabled at the meeting, as read, confirmed and signed by the Chairman.

I. Matters Arising

(A) Review of the “Lumped Approach” in Calculating the Pay Adjustment for Staff under Performance Pay System (PPS)

1. Invited by the Chairman to report, _____ said that at the last Council Meeting held on 30 July 2013, the Management was requested to review the lumped approach in calculating the annual pay adjustment for staff under the PPS. _____ said that the lumped approach had been adopted since the introduction of PPS in 2008. Under this approach, the annual pay adjustment was arrived at on the basis of the weighted average of projected salary adjustment drawn from the results of five market pay trend surveys and the Civil Service pay trend award. The Management had reviewed the situation and considered that:

- (a) the employee categorization of the market surveys did not exactly tie in with HKPC’s categorization, hence the benefit of further differentiating the population under each category of the surveys would be marginal, if not immaterial. Furthermore, the usual survey methodology of Hay Group covered only the total employee number without any categorization, rendering the move towards on par comparison impossible;
- (b) according to the survey companies, the employee categorization adopted by them could be reviewed on the basis of market situation from time to time, resulting in the merger of different categories as well as further differentiation within particular categories. For example, Towers Watson’s categorization was changed from five to six levels in 2013. As such, HKPC simply could not be assured of the continuity of categorization in the various market surveys from year to year even if they now matched those of HKPC’s; and
- (c) the overall population of each survey adopted in the formula under the lumped approach had already reflected the relative weight of that survey in the labour market.

In the light of the above considerations and, more importantly, taking account of the need to ensure objective pay review for the PPS staff (based on representativeness and consistency), it was the view of the Management that the established methodology of the lumped approach should be maintained.

2. Members supported the Management’s conclusion that the present lumped approach should be maintained for calculating the annual pay adjustment for the PPS staff.

II. HKPC's Programme and Estimates for 2014/15 - Staff Establishment (S.C. 18/2013)

3. Invited by the Chairman, introduced the paper and said that the proposed staff establishment for 2014/15 had been derived taking account of the business innovation and technological development needs of HKPC which were outlined in paragraph 3 of the paper. Having factored in such considerations, it was proposed that the overall staff establishment for 2014/15 would remain unchanged at 695 which would also include the APAS Division of which the establishment size was 33.

4. said that there was a gap between ongoing staff movement (including turnover, promotion and deployment) and the long time required to identify and recruit the right candidates to meet the requirements of different posts. As such, while the staff establishment reflected HKPC's true staffing needs, full utilization of the approved establishment was not envisaged at a given point of time. As the operation of the APAS Division was separately funded, the inclusion of the APAS Division's establishment size under HKPC's overall establishment would have no financial impact on HKPC's overall estimates for 2014/15. This was both a reasonable and practical arrangement to reflect HKPC's true staffing needs and, at the same time, narrow the gap between the staff establishment and staff strength while still allowing enough room to meet the organization's staffing needs on a continuous basis throughout the financial year.

5. said that the staff establishment should be carefully devised to avoid over loading of staff. In reply, said that for prudent HR management, positions left vacant by departing staff would not be filled automatically unless supported by solid justifications primarily relating to present and future business needs. The opportunity would also be taken to review the practicality of alignment of job responsibilities for optimal deployment of vacant posts when they arose.

6. said that the Management's effort to bring the estimated staff establishment closer to HKPC's staffing needs was supported. But reminded that, as the operation of the APAS Division was separately funded by the Innovation and Technology Fund, separate management and financial reporting on the APAS Division would be maintained. As such, the inclusion of the establishment size of the APAS Division would not affect the structure of its establishment in terms of staff grading and their distribution which was in place at the time of the merger in November 2012 and any changes would be subject to separate approval of ITC.

7. After discussion, Members endorsed for Council's approval HKPC's overall staff establishment for 2014/15 at 695 which included the APAS Division of which the establishment size was 33.

III. Review of Accelerated Pay Progression for Exceptional Talents at Consultant Rank (S.C. 19/2013)

8. Invited by the Chairman, introduced the paper and said the pilot scheme on accelerated pay progression for exceptional talents at Consultant rank was devised to resolve the issues of staff retention at Consultant rank and the bottle-neck in their progression to the Senior Consultant rank so as to better retain talents and preserve a stable and competent professional team. The award was subject to recommendation by General Managers (GM), endorsement by a panel and approval by Executive Director (ED). Since April 2013, three recommendations had been received from GMs and endorsed. Supported by the Staffing Committee and Council, the pilot scheme was launched in April 2013 and the Management had also agreed to review whether the scheme should be continued after the first year of its implementation.

9. said that the Management had reviewed the pilot scheme and observed that the scheme had instilled a drive for sustaining exceptional competencies and high performance not just among the Consultants, but also the Associate Consultants, Management Trainees as well as capable staff of the Project Officer rank who could cross-stream to become Consultants in future. A similar retention effect would therefore expectantly be extended to these staff members. In view of this, the Management decided that the scheme should continue to:

- (a) allow more flexibility in rewarding those consultants with outstanding performance and good potential with more competitive remuneration;
- (b) provide an incentive for the high-performance consultants to sustain their performance and help the Management to retain them in HKPC given their valuable consultancy experience and expertise accumulated; and
- (c) build a pool of exceptional talents to support high priority projects, drive for new business development, and contribute to corporate or cross-divisional assignments.

said that the Management had incidentally observed that for the period April to September 2013, the turnover rate of Consultants

had slightly dropped to 7.5% from 10% over the same period in 2012.

10. In reply to _____, _____ said that the scheme was formulated specifically to address the issue of high turnover among the Consultant grade staff who were the backbone of HKPC in the development and delivery of consulting services especially those who had accumulated some years of consultancy experience and versatile skill sets which were not readily available from the market. Accelerated pay progression was a special arrangement for the Consultant grade staff for whom the exceptionally long pay range covering 48 pay points had not helped to incentivize or retain them. At present, the Management did not see similar justification to extend the scheme to staff of the other grades.

11. _____ said that similar incentive schemes and encouragement programmes were adopted by other quangos to recognize and award staff of exceptional performance. In this connection,

_____ suggested that the Management should consider announcing the awardees under the scheme in future which would provide formal recognition to the staff and help to promote the “we-care” message to all. In a separate but related issue, _____ said that in future the Management should consider inviting all Staffing Committee members to join the dinner for staff achieving excellent performance at band 1.

12. Members supported the Management’s decision to continue the scheme on accelerated pay progression for exceptional talents at the Consultant rank with a review by the Management in two years.

IV. Staffing Position of HKPC (S.C. 20/2013)

13. Members noted the staffing position of HKPC as at 30 September 2013 with 652 staff in post (including 23 APAS staff members) against the total approved establishment of 695. With regard to staff turnover, the rate for 2012/13 and April to September 2013 were 15.4% and 5.9% respectively.

14. Members also noted the following development regarding senior staff movement:

- (a) Mr Lam Kwong-shing Leo, Director, Business Innovation had left service on 26 October 2013 and the operation of the Business Innovation Branch was managed direct by the Executive Director with the assistance of Director, Corporate Services and Director, Technology Development; and

- (b) two candidates were shortlisted for the position of General Manager, APAS R&D Centre for interview in November 2013.

V. 14th One-Minute Staff Morale Index (S.C. 21/2013)

15. Members noted the findings of the 14th survey of the One-minute Staff Morale Index conducted in October 2013 with a response rate of 84%. Members also noted that:

- (a) among the four surveyed areas, staff members' level of satisfaction with their "supervisors" was the highest with staff members agreeing generally that their supervisors were approachable and willing to help their subordinates solve problems;
- (b) the level of satisfaction with the "work aspects" was ranked the second highest and it was noted that there was clear evidence that staff members' mindset had been strengthened in the areas of corporate governance and project management;
- (c) the level of satisfaction with the "management" had declined mildly and that there was general agreement that the management walked the talk in promoting corporate social responsibility matters; and
- (d) the level of satisfaction with "teamwork & cooperation" dropped slightly with comments that teamwork and cooperation among Divisions should be further enhanced.

16. In response to _____ enquiry, _____ said that the survey was conducted strictly on an anonymous basis. _____ said that it was encouraging that both positive response and constructive criticisms had been received indicating staff confidence in the survey. The issues and suggestions raised by staff would be addressed both at the corporate level at the directorate briefings and at divisional meetings.

VI. Any Other Business

(B) Attendance Record of SC Members

19. Members noted their attendance record in 2013 tabled at the meeting.

(C) 2014 Meeting Schedule

20. Members noted the proposed 2014 SC meeting schedule tabled at the meeting, as follows:

Meeting	Date and Time
47 th SC meeting	4 March 2014 (Tuesday) 2:30pm
48 th SC meeting	8 July 2014 (Tuesday) 2:30pm
49 th SC meeting	4 November 2014 (Tuesday) 2:30pm

VII. Date of Next Meeting

21. It was agreed that the next meeting would be held on 4 March 2014 at 2:30pm.

22. There being no other business, the Chairman thanked Members for their attendance and the meeting was adjourned at 3:45p.m.